

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF MICHAEL) APPEAL NO. 07-A-2670
W. SCHLEGEL from the decision of the Board of) FINAL DECISION
Equalization of Valley County for tax year 2007.) AND ORDER

HOMESITE APPEAL

THIS MATTER was conducted and reviewed on the written record created. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellant Michael W. Schlegel submitted written information for consideration. Respondent Valley County also submitted written information for consideration. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP16N04E300905A.

The issue on appeal is the market value of a one-acre residential homesite associated with land actively devoted to agriculture.

The decision of the Valley County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed homesite value is \$160,100, and the improvements' valuation is \$599,780 totaling \$759,880. Appellant requests the homesite value be reduced to \$125,000, and the improvements' value remain at \$599,780, totaling \$724,780.

The subject property was described as 10 acres with residential improvements. Irrigated grazing land comprises 8.621 acres of the parcel. Another .379 acres was classified as waste land with one acre classified as homesite. The subject property is located near McCall, Idaho.

Appellant contested the increase in subject's homesite value from \$72,690 for tax year 2006 to \$160,100 in 2007. Taxpayer asserted the assessment was unfair because it was based on the sales of properties located within subdivisions, while subject is not located within a

subdivision or the city limits.

Taxpayer submitted 15 MLS (Multiple Listing Service) printouts indicating property sales. The sale prices of the improved properties ranged from \$179,000 to \$700,000. The land size ranged from 2.045 to 29.9 acres. The date of sale was also included. There was no additional explanation or comparison of the sales to the subject property.

The Assessor wrote that subject homesite was valued the same as other homesites within the area. Eight-thousand dollars (\$8,000) was added to a bare land value for on-site improvements such as well and septic. This value was included in the total \$160,100 one-acre homesite valuation.

The Assessor included a spreadsheet with four (4) bare land sales in subject's area. The prices ranged from \$95,000 for .798 acre to \$244,000 for 2.251 acres. A fourth sale of \$800,000 was for 10.91 acres, but was not used in the analysis. The three (3) considered sale prices were compared to their assessed values and indicated an assessment level or ratio of 1.09%. This percentage was noted to be within the 90% to 110% assessment range used in equalization.

The County submitted a spreadsheet of the sales submitted by Appellant and noted there was only one bare land sale included and it was located outside the subject's local area.

In closing, the County maintained the subject parcel's assessed values meet the requirements of Idaho Code and the regulations promulgated by the Idaho State Tax Commission. Respondent contended additionally that the subject assessment was accurate and fair.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments

and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho is a market value state for property tax purposes. Idaho Code § 63-201(10) provides the requisite definition:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Property not expressly exempt is valued at its current market value as of January 1 in the given tax year. Recent, proximate sales of comparable property is considered good evidence of value for residential property such as a homesite.

Appellant provided several MLS printouts of sales which took place during 2006. However, no comparison of the properties to the subject was included. There was no analysis of the sales or their relationship to subject’s contested homesite value.

Along with the analysis of the terms and conditions of a sale, the comparison of the sold property to the subject must include a comparison of the properties’ physical and functional characteristics. For instance square footage, condition, and quality of construction must be equalized through adjustments for a meaningful statement of the relationship between the sold property and the subject.

The ratio of the three sales submitted by the County merely indicated an average level of assessment compared to sale prices, but was acceptable evidence of the accuracy of the subject assessment. These county sales were bare land sales located in subject’s area and directly addressed the question of the subject homesite’s likely market value.

“The value of property for purposes of taxation as determined by the assessor is

presumed to be correct; and the burden of proof is upon the taxpayer to show by [a preponderance of the] evidence that he is entitled to the relief claimed.” Board of County Comm’rs of Ada County v. Sears, Roebuck & Co., 74 Idaho 39, 46-47, 256 P.2d 526, 530 (1953).

In this case, we find the Assessor’s evidence supports the assessed value of subject. Appellant has not prevailed in his case by a preponderance of the evidence.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED March 7, 2008